

## Wage and Hour Division, Labor

## § 510.20

### § 510.3 Definitions.

(a) *Act* or *FLSA* means the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201, *et seq.*).

(b) *Amendments* or *1989 Amendments* means the Fair Labor Standards Amendments of 1989 (Pub. L. 101-157).

(c) *Secretary* means the Secretary of Labor, or a duly authorized representative of the Secretary.

(d) *Administrator* means the Administrator of the Wage and Hour Division of the Employment Standards Administration, U.S. Department of Labor, or a duly authorized representative of the Administrator.

(e) *Department* means the U.S. Department of Labor.

(f) *Tier* means one of the four categories established for an extended phase-in of the statutory increases in the minimum wage under section 6(c) of the Act as amended.

(g) *Standard Industrial Classification (SIC)* refers to the classifications established in the *Standard Industrial Classification Manual, 1987*, published by the Office of Management and Budget, Executive Office of the President.

### Subpart B—Schedule of Minimum Wage Rates Applicable in Puerto Rico

#### § 510.10 Table of wage rates and effective dates.

(a) The following table provides effective dates of minimum wage increases for the four statutory tiers. Appendices A and B to these regulations contain listings of manufacturing and non-manufacturing industries in Puerto Rico by SIC code, and indicate which tier is applicable. Appendices C and D contain listings of government corporations and municipalities and indicate which tier is applicable.

EFFECTIVE DATES

Tier	4/1/90	4/1/91	4/1/92	4/1/93	4/1/94	4/1/95	4/1/96
One .....	\$3.80	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25
Two .....	3.55	3.70	3.90	4.05	4.25	4.25	4.25
Three .....	3.50	3.65	3.80	3.95	4.10	4.25	4.25
Four .....	3.50	3.60	3.75	3.85	4.00	4.10	4.25

(b) Tier 1 applies to employees of the United States, employees of hotels, motels, or restaurants, retail or service establishments that employ such employees primarily in connection with the preparation or offering of food or beverages for human consumption, and industries in which the average hourly wage is greater than \$4.64.

(c) Tier 2 applies to industries in which the average hourly wage is not less than \$4.00 but not more than \$4.64.

(d) Tier 3 applies to industries in which the average hourly wage is less than \$4.00.

(e) Tier 4 applies to certain employees of the Commonwealth of Puerto Rico, municipalities, and other governmental entities of the Commonwealth in which the average hourly wage is less than \$4.00.

### Subpart C—Classification of Industries

#### § 510.20 Wage surveys in Puerto Rico.

(a) The legislative history to the 1989 Amendments (Conference Report 101-47 on H.R. 2, May 8, 1989) stated that for any industry to qualify for an extended minimum wage phase-in, the government of Puerto Rico would be required to furnish official survey data substantiating that an industry's average hourly wage is below either the \$4.65 or \$4.00 threshold level. Such data were to be compiled and submitted for review to the Department.

(b) *Manufacturing industries.* For purposes of implementing section 6(c) of the Act, as amended, Puerto Rico has submitted its Census of Manufacturing Industries. The Bureau of Labor Statistics of Puerto Rico regularly gathers data from manufacturing establishments regarding employment, hours and earnings. The data include hourly

earnings for production and related workers and are generally specific to the four-digit SIC code level.

(c) *Non-manufacturing industries.* The Bureau of Labor Statistics of Puerto Rico designed and executed a survey to supplement data regularly gathered for the U.S. Bureau of Labor Statistics (i.e., that included in the payroll establishment survey published in *Employment and Earnings*). The supplemental survey was carried out to determine average hourly earnings for production workers or non-supervisory employees in the private non-agricultural, non-manufacturing sector. Employment and payroll information was collected for the payroll period which included April 12, 1989. The data provided to the Department were generally specific to the four-digit SIC code level.

(d) *Agriculture.* At the request of the Department, the Bureau of Labor Statistics of Puerto Rico conducted a survey of wages paid to agricultural workers which included employment and earnings from at least a specified number of sugarcane farms, coffee farms, ornamental farms, vegetable farms, and other farms, following standard statistical random sampling techniques. The survey included information on earnings, employment, and hourly wage rates paid to workers for the workweek including March 11 through March 17, 1990. In addition, applicable collective bargaining agreements were reviewed for sugarcane farms.

(e) *Commonwealth government.* In the case of the Commonwealth Government of Puerto Rico, a census of hourly earnings was undertaken of all government departments, commissions and other agencies. A separate survey was conducted of government corporations. Managers, officials and employees in positions which require a college degree were excluded from the surveys.

(f) *Municipalities.* In the case of the municipalities of Puerto Rico, a census of hourly earnings was conducted. Managers, officials and employees in positions which require a college degree were excluded from the survey.

[55 FR 12120, Mar. 30, 1990, as amended at 55 FR 53247, Dec. 27, 1990]

**§510.21 SIC codes.**

(a) The Conference Report specifically cites Puerto Rico's annual Census of Manufacturing Industries as a source of average hourly wage data by industry. Industries in that census are organized by Standard Industrial Classification (SIC), the statistical classification system used for a variety of governmental and statistical purposes. With respect to non-manufacturing industries, or other industries not included in the Census of Manufacturing, the Conference Report stated that data "should be at a level of specificity comparable to the four digit Standard Industry Code (SIC) code level."

(b) The Standard Industrial Classification (SIC) codes listed in appendix A and B herein are designated in accordance with the Standard Industrial Classification (SIC) Manual, 1987, published by the Executive Office of the President, Office of Management and Budget. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161. Copies may be inspected at all federal depository libraries in the Commonwealth of Puerto Rico; at the district office of the Wage and Hour Division, U.S. Department of Labor, New San Juan Office Building, 159 Chardon St., room 102, Hato Rey, PR 00918; at the Commonwealth of Puerto Rico Department of Labor and Human Resources, Prudencio Rivera Building, Munoz Rivera Avenue 505, Hato Rey, PR 00918; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: [http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html). Establishments are classified according to their primary activity. The classification structure classifies industries by:

- (1) Two-digit major group,
- (2) Three digit industry group, or
- (3) Four-digit industry code, according to the level of industrial detail which may be required.